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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC MAIL BRANCH

In the Matter of)
Implementation of the Cable Television)
Consumer Protection and Competition)
Act of 1992)

MM Docket No. 92-266

Rate Regulation)

REPLY COMMENTS AND REQUEST FOR RECONSIDERATION
TOWNSHIP OF LOWER MERION, MONTGOMERY COUNTY, PENNSYLVANIA

The Township of Lower Merion, Pennsylvania submits these comments related to the rate regulations adopted by the Federal Communications Commission. Our concerns are with some of the provisions concerning benchmarking and bill itemization with the Commission's further consideration of effective competition.

Benchmarking of the Satellite Tier

We note that the benchmarking approach adopted by the Commission makes no distinction among satellite channels. A cable operator is rewarded with a higher benchmark rate for providing more satellite programming, no matter whether the channel costs the operator three cents per subscriber or fifty cents. The benchmark rate assumes that all channels are of equal value to subscribers when this is clearly not the case.

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On June 2, 1993, when the must-carry provision became effective, our operator, Comcast Cablevision, added five satellite channels for which there has been little or no demand. This action followed an extensive renewal process during which the Township requested the addition of high-demand networks, and Comcast insisted that no additional channel space was available. Yet, when faced with

penetration below 30% in certain communities is not, in and of itself, evidence of effective competition. There are more likely other reasons including high costs, incomplete builds, and other factors which the Commission recognizes in paragraph 561 of the Report and Order.

Subscriber Bill Itemization

The Township disagrees strongly with paragraphs 548 through 552 of the Report and Order concluding that the itemization of costs other than those attributable to franchise fees and PEG related requirements could discourage the accomplishment of section 622(c)'s political accountability objective. We believe that during the months preceeding passage of the Cable Act of 1992 consumers were mislead by cable interests into believing that the major portion of their monthly bills and rate increases were mostly attributable to programming costs. Consumer protection requires more accountability than the mere itemization of franchise fees and PEG costs.

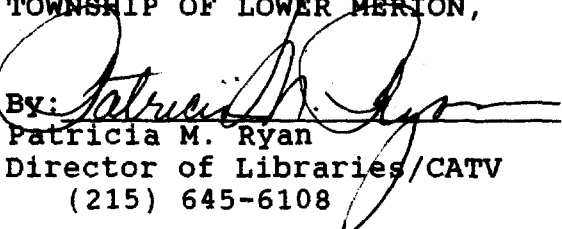
Furthermore, franchise agreement requirements pertaining to PEG channels, institutional networks, wiring of public buildings, etc. are all contractual business obligations which cable operators have agreed to with their eyes open. Throughout renewal negotiations franchising authorities have very little leverage other than length of term with which to work. If an operator determines that it is in its best interest to offer some of these services for a better term, that is a business decision. If the Cable Act requires itemization of these

PEG-related costs, then the Commission should reconsider its prohibition on providing sunshine on other costs well-hidden by the cable operators. How many consumers realize what portion of their monthly bill may be going to support the operator's purchase of systems elsewhere?

Thank you for the opportunity to send these comments.

Respectfully submitted by the
authority of the Board of
Commissioners,

TOWNSHIP OF LOWER MERION,

By: 
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June 30, 1993

cc: Board of Commissioners, Township of Lower Merion
David C. Latshaw, Township Manager